Taking over of property by Co-operative Banks

3039. SHRI BHAGIRATHI MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether co-operative banks like nationalised banks can take over the property of loaner who is a defaulter, both movable and immovable property, into their custody;

(b) if so, the details thereof;

(c) if not, whether his Ministry will amend the law regarding seizure/auction of above mentioned property for recovery of loan with interest as and when loaner is not able to pay his debt; and

(d) if not, whether small and poor depositors suffer a lot either getting loan or withdrawing his deposit money in case the said banks do not run smoothly?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Co-operative banks fall within the definition of 'secured creditor' under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) by virtue of the definition contained in section 2(1)(c)(v) of the Act and also the notification No. S.O. 105(E) dated January 28, 2003 of the Central Government declaring "Co-operative Bank" to be a bank for the purposes of SARFAESI Act. Section 13 of the SARFAESI Act, 2002, authorises the secured creditors to enforce any security interest created in favour of it by the borrower without the intervention of the Court or Tribunal in accordance with provisions of the Act.

Farmers' Debt Relief Fund

†3040. SHRI SATYAVRAT CHATURVEDI: Will the Minister of FINANCE be pleased to state:

(a) whether Government has set up a Farmers' Debt Relief Fund with an amount of Rs. 10,000 crore;

(b) if so,when was it set up;

(c) how the income earned as interest from the said fund be utilised in the interest of farmers; and

(d) whether only those farmers will get loan from the banks again whose loans has been paid by Government to the banks or all the farmers having three acres of land holding would be eligible to get loans from the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. The Government has set up a Farmers' Debt Relief Fund with an initial corpus of Rs. 10,000 crore in March, 2008 for reimbursing claims of the Scheduled Commercial Banks, Regional Rural Banks and Cooperative Credit Institutions for the amount of debt waiver/relief granted by them to the farmers as per the Debt Waiver and Debt Relief Scheme for farmers announced in the Union Budget 2008-09. The Fund has been created in the non-interest bearing section of the Public Accounts.

(d) All the eligible farmers would be able to get loans from the banks. This includes farmers, who are otherwise eligible for getting loans and also those farmers who are benefited from the Debt Waiver and Debt Relief Scheme, 2008.

† Original notice of the question was received in Hindi.